

Hungry Horse County Water and Sewer District

Board of Directors Meeting Minutes

Thursday October 22, 2020

Location: Water District Office, 528 Colorado Boulevard, Hungry Horse, Montana

(0:00) Call to Order: 6:02 p.m.

Those Present: President Doug Wagner, Vice President Vivian Allen, Director Brent Schmidt, Director Richard Hardesty, Chief Financial Officer Jamie Foster

Staff: General Manager/Operator Ben Shafer, Bookkeeper Judy Rosenbaum, Secretary Rita Venable attending via cell phone.

(0:22) Approval of Minutes from August Meeting with corrections or additions:

The secretary suggested the Board to wait on approval of minutes until after the discussion later in the meeting on liability and insurance coverages. There are legal and liability concerns and questions regarding the uploading of information over the internet, and the level of detail for public view of the minutes. The secretary also requested the Board's decision as to what the SOP is for minutes. The CFO's opinion was that the secretary has no liability for the content of the minutes or for the uploading of the minutes over the internet because the Board approves the minutes the Board is liable not the secretary. The Board will follow up and answer the questions and concerns and determine a SOP for the meeting minutes. VP Allen suggested a correction to remove the wording Pro Tem from the Secretary's signature. The Board decided to strike through the wording Pro Tem to remove it from the Secretary's signature line.

(5:09) Director Schmidt moved to accept the Minutes as corrected. All ayes.

Unanimous. Motion carried.

RESOLVED to accept the Minutes as corrected.

(5:24) Public Comment: Jimmy Dowling had asked VP Allen to share his research on the tax rolls update because Jimmy would not be in attendance at this Board meeting. VP Allen shared with the Board that Mike Pence from the County could not discuss the tax rolls issue with Mr. Dowling because Mr. Dowling is not a member of the Board, but Mike Pence had discussed some general things with Mr. Dowling. VP Allen shared that the District would have to figure out how many mills and what the Board would want to put on the tax rolls and at the same time, the public would have to vote on it. The Board would be required to talk to Mike Pence if the Board decided to pursue the tax rolls procedure.

(7:03) Reports

1. Bookkeeper's Report:

- a. Payne West Insurance Questions and Answers. The Bookkeeper reviewed the Commercial General Liability Cincinnati Casualty Company handout she had received from Payne West as their response to the questions the Board and staff had submitted earlier to

Payne West. The Bookkeeper will follow up with Lauren, the account manager with Payne West, and ask Lauren to:

- Clarify the District's employees have the same coverages as the Board members
- Verify PCI stands for Payment Card Industry
- Explain the Forms and Endorsements for Water Utilities Professional Liability Extension, Commercial General Liability Broad and the Exclusion – Access or Disclosure of Confidential.
- Remove Bill Kavanagh's name from the policy.

(28:02) b. Financial Statements: The bookkeeper read and explained:

- Cash Balance as of 10/22/2020

The HHCWSD has approximately \$10,000.00 to \$13,000.00 collected on the tax rolls sitting at the County. The Board agreed the bookkeeper is to email the County to notify the County to set up and release the monies collected by the County to the District on a regular monthly basis. The Bookkeeper is in the process of going through the past bookkeeper's files, currently she had gone back to year 2014, to determine the amount that was owed from the County tax rolls because those accounts had not previously been posted as a receivable on HHCWSD's balance sheet.

- Unpaid Bills Detail as of 10/22/202
- Directors Report and Monthly Reconciliation as of 9/30/2020
- Balance Sheet as of 9/30/2020
- Profit and Loss Fiscal Year to Date Budget vs Actual
- Adjustments as of 9/30/2020
- Past Due List – red strike through are shut offs
- Employee time cards

The bookkeeper will create journal entries to the Plant Investment Fees account and put it in Prepaid Hook Up Fees account. In response to the September 22, 2020 letter from President Wagner, the State Fund will be issuing a credit for the audit that had reclassified the operator's wages and the bookkeeper will then adjust the Work Comp Expense. The Bookkeeper is still investigating answers to questions board members have asked since coming into office, about specific district financial information. The bookkeeper provided the board an informational projected cash flow sheet (attached with financial reports) with a bottom line of \$-(2,191.51).

(49:43) VP Allen and the bookkeeper discussed a misunderstanding over an email that the bookkeeper thought to be questioning the bookkeeper's integrity when she had researched and prepared a salary comparison report as requested by the Board. VP Allen explained the email was not to question the bookkeeper's integrity, but was for the protection of the bookkeeper because VP thought the Board may have put the bookkeeper in a position of conflict of interest. Bookkeeper stated duly noted.

(50:46) c. Bills: Director Schmidt moved to pay the bills. All in favor. All ayes. Unanimous. Motion carried.

RESOLVED to pay the bills.

The Board signed the bill payment checks as presented by the bookkeeper.

(52:32) d. Correspondence:

- Received the WFCU Quarterly statement
- Sent out an account audit for account #172 per the customer's request

(53:38) e. Anna Miller/DNRC Refi Update: Still pending. No response from DNRC.

(54:06) f. Website News/Update: The HHCWSD website's address could be printed on each customers' monthly bill once the website is set up with the District's content. Purchasing a domain was discussed to enable the website to be more easily searchable. The bookkeeper will research the options available and the costs of owning a domain. The Bookkeeper and GMO will be working together to improve and fill out the new site.

(59:33) g. Bulk Mailing Costs Update: The Mail Room will send a pricing proposal next week after the owner returns.

(1:03:48) VP Allen requested the timeline for organizing the old files for the audit. VP Allen suggested to start with the current year and work back. The task of organizing the old files had been assigned to the GMO and he hoped that sometime in January when things slow down he would do it. Director Hardesty volunteered to help with organizing the old files. No timeline was determined. The Bookkeeper is also willing to organize the financial files but wants a specific start date of files to be organized before beginning.

The CFO would like to see the district put out a newsletter online/at bulk mailing rate or Post Office counter distribution every 6 months minimum, three times a year even better.

2. **(1:07:26)** Manager's Report

a. **(1:16:16)** Monthly Report: GMO installed caps on Acct#1 to stop them from turning their own curb stop back on after being disconnected for non-payment.

b. **(1:07:27)** Telemetry Update: GMO reported the project will cost more than \$27,000.00 as originally discussed. GMO hoped to have an estimate soon. GMO is not sure if the variable drives are required and will verify this with Chuck. GMO waiting for Troy to come back with a better offer from Flathead Electric.

c. **(1:15:28)** Cost Saving Measures Update: GMO decided to have the professionals install the insulation in the pump houses and will schedule them within the week.

d. **(1:23:17)** Trench Box Update: GMO researched the cost and will inquire with Mark in Columbia Falls about possibly renting or borrowing their trench box when the HHCWSD needs one.

(1:25:12) VP Allen offered her idea to put the pumps on a timer which might be a cost savings during the peak period demand charge. GMO explained peak demand charge is not applicable to the District's pumps and with variable drives the peak charges would be lower.

3. (1:26:50) Chief Financial Officer's Report

- a. State Loan Program: Nothing to report. CFO will email a report required to be attached to past minutes to the secretary.
- b. Auditor Presentation Update: \$500.00 fee to have the auditor to attend a Board meeting and talk with the members.

4. (1:28:25) Correspondence Report Update

- a. MT State Fund Update: The District received a reply from the State Fund in which the State Fund agreed with the Board's request to reclassify the GMO's wage class code. State Fund would be issuing a credit to the District's worker's compensation insurance policy.
- b. Flathead County Clerk and Recorder Update: No response from County to the District's request to upload minutes to the County Election Department's website.
- c. Walter Rowntree Update: No response from Rowntree regarding the District's request for his source of the mailing list of HHCWSD's customers that he used for his written campaign letter while he had campaigned for a board position with the HHCWSD.
- d. Anne Wheeler Update: No response to the District's request for the dates of her sale of property and residency nor the District's offer to compensate her for her time spent taking meeting minutes.

(1:32:10) Unfinished Business

- 1. Bank Account/Safe Deposit Box/Director Hardesty Set Date To Complete: All five Board members will meet October 27, 2020, at 11:30 am at Glacier Bank and then all Directors will go to WFCU after Glacier Bank. CFO will call the banks and arrange this appointment date and time.
- 2. **(1:43:50) Bookkeeper's Recommendation – Percent of Sales and 2 new Plant Investment Fees into Savings**: Bookkeeper recommended a SOP to deposit all Plant Investment Fees from new installs directly into savings, unless the District would need those monies to pay bills. There is currently \$7,500.00, for three installs, in the Glacier Bank checking account accruing no interest. She also suggested the budget should first be resolved as far as salaries before ten percent of net sales are determined and deposited monthly. The Board discussed the savings could be used for future costs of the Telemetry, the audit or the Needs Assessment. The reserve balance required by the Rural Water Loan was also discussed.

(1:48:15) VP Allen moved to transfer the three Plant Investment Fees of \$7500.00 from the Glacier Bank account into the WFCU savings account and to be designated under the Repairs and Maintenance Fund. Director Schmidt seconded. All in favor. All ayes. Unanimous. Motion carried.

RESOLVED to transfer the three Plant Investment Fees of \$7500.00 from the Glacier Bank account into the WFCU savings account and to be designated under the Repairs and Maintenance Fund.

3. **(1:49:05)** Sand Creek Water Rights/Future Needs Assessment Update: President Wagner stated the USFS will require an engineer's stamp on the study that determines if the District is in need of water or not.
4. **(1:57:37)** Brief Update from the Rules and Polices Standing Committee: The committee had discussed a time frame to get the bylaws done and to the Board for review a few weeks prior to the January 2021 meeting. The committee decided to meet biweekly and the next biweekly meeting would be October 27, 2020. They had created a draft to divide up the sections between the members to start working on and had discussed future tasks of the committee such as the Rules and Regulations revisions and a personnel manual.
5. **(2:00:52)** Disconnect for Nonpayment/New Service Application/Change for Existing Service. The Board discussed the processes and the fees as follows:
 - Application Fee \$75.00
 - Close Fee \$50.00
 - New Service Fee
 - Transfer Fee \$35.00 had not been charged in the past.

(2:14:02) CFO Foster moved to table Item Number 5 on the agenda. All in favor. All ayes. Unanimous. Motion carried.

RESOLVED to table Item Number 5 on the agenda.

6. **(2:14:15)** CFO and GMO Reports from July, August, September and October. Reports will be sent to the secretary to attach to the minutes and uploaded to the County.
7. **(2:16:00)** Newsletter/First Issue – When, What and by Whom. The Board discussed a six month frequency, the content, options of electronic and paper issues and date of the first issue. It was decided to wait until after the holidays to publish the first issue. Ideas discussed for the newsletter's content included an update on the Board's activities, a report from the Manager and information about the District's new website. Director Hardesty and VP Allen volunteered to work on the first issue of the newsletter.

(2:22:00) President Wagner announced the Board members would go into a closed session. The President excused the staff from the meeting at 8:25 p.m.

The President explained there would be a brief recess and the Board would then call the secretary back to attend and take the minutes for the Executive Session via cell phone audio. **(2:22:48)** The secretary disconnected from the meeting. **(2:26:57)** The audio recorder was turned off at 8:30 p.m.

Call to Order: 10:07 p.m. (No audio recording. The regular meeting was reconvened)

Those Present: President Doug Wagner, Vice President Vivian Allen, Chief Financial Officer Jamie Foster, Director Brent Schmidt and Director Richard Hardesty.

Staff: Secretary Rita Venable attending via cell phone

8. Employee Wage Discussion: CFO moved to set the General Manager/Operator salary at \$40,000.00 annually. No mileage or vehicle expense. Phone reimbursed at current monthly reimbursable rate and the District is not offering additional benefits.

All in favor:

President Wagner – Aye

Vice President Allen - No

Chief Financial Officer Foster – Aye

Director Schmidt – Aye

Director Hardesty – Aye

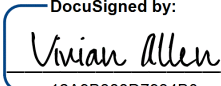
The ayes have it four to one with Vice President Allen voting No.

Motion carried.

RESOLVED to set the General Manager/Operator salary at \$40,000.00 annually. No mileage or vehicle expense. Phone reimbursed at current monthly reimbursable rate and the District is not offering additional benefits.

Adjourned at 10:20 p.m. until: November 19, 2020 at 6:00 p.m.

Approved by:

Vice President Vivian Allen:  DocuSigned by:
12A9B388D7934B0... Date: 11/2/2021

Respectfully submitted by:

Secretary:  DocuSigned by:
BD459260D2E34BC... Date: 11/1/2021